Funding Contingency Operations

Learning Objectives

Terminal Objectives

Verify that a Purchase Request document is properly documented and certified

Enabling Objectives

Identify types of contingency funding

Discriminate between various lines of accounting

Fiscal Law Overview

Appropriated funds are subject to three basic fiscal constraints:

Time, ***Purpose,*** and ***Amount***.

Time control includes two major elements:
1st, appropriations have a **definite life span**.
2nd, appropriations normally **must be used for needs that arise during their period of availability,** "current funds must be used for current needs."

Purpose statute, prohibits spending money on objects other than those for which appropriations were made. The purpose statute typically refers to the concept of "**color of money**".

Amount, of paramount concern is ensuring that the DoD complies with the "**Anti-Deficiency Act**," 31 USC § 1341(a), which prohibits obligating or spending money ***before*** it is appropriated or in amounts in ***excess*** of the amount appropriated.

Appropriations "The Color of Money"

	APPROPRIATION CATEGORIES	OBLIGATION TIME LIMITS
	Operations and Maintenance (O&M)	One (1) Year
	Research, Development, Test and Evaluation (RDT&E)	Two (2) Years
	Procurement	Three Years
	Military Construction	Five (5) Years

Appropriation Life-Cycle

Account Title	Years After Appropriation First Authorized											
	1	2	3	4	5	6	7	8	9	10	11	12
O&M	C	E	E	E	E	E	X	X	X	X	X	X
RDT&E	C	C	E	E	E	E	E	X	X	X	X	X
PROCUREMENT	C	C	C	E	E	E	E	E	X	X	X	X
MILCON / SCN	C	C	C	C	C	E	E	E	E	E	X	X

C = Current | E = Expired | X

Available for New Obligations & Payments	Available for Upward Obligations, Adjustments, & Payments on Prior Obligations. • Not Available for New Obligations	No Longer Available for Upwards Adjustments to Obligations or to Liquidate Recorded Obligations • Closed

Fiscal Law Constraints

Appropriation Act [Title 31, U.S. Code, Sec 1301]

- Requires funds to be used only for *the purposes and programs* for which the appropriation was made
- AKA "The Purpose Statute"
- Violations are misappropriations

Anti-Deficiency Act [Title 31, U.S. Code, Sec 1341 & 1517]

- Prohibits making or authorizing an obligation *in excess* of the amount available
- Forbids obligation to pay money from the US Treasury *in advance* of an appropriation
- Requires agency to fix responsibility for violations of the Act

Bona Fide Needs Rule

- Requires funds to be used only for needs or services in the year of the appropriations obligation period

Funding Contingency Operations

Most Common

- **Operations & Maintenance**
- **Construction** (UMMC-Unspecified Minor Military Construction)
- **Overseas Contingency Operations** (OCO Funds)
- **Procurement** (systems, vehicles, major equipment >$250K*)

Not as Common – Phase and Mission Dependent

- **Non Appropriated Funds** (NAF)
- **Overseas, Humanitarian, Disaster, & Civic Aid** (OHDACA) 2 year money
  - **Humanitarian and Civic Assistance** (HCA) 10 U.S.C. § 401 (currently can not be used for contracting)
  - **Foreign Disaster Assistance** (FDA) 10 U.S.C. § 404
  - **Humanitarian Assistance** (HA) 10 U.S.C. § 2561

- **Commanders Emergency Response Program** (CERP)
- **Stafford Disaster Relief & Emergency Assistance** (FEMA)

Other O&M Sub-Appropriations

Emergency and Extraordinary Expenses (EE&E) 10 U.S.C. § 127.

- Funds to pay for any emergency or extraordinary expense which cannot be anticipated or classified
- Potential funding source for exercises were purpose is to conduct "interoperability" training with foreign forces
- **Official Representation Funds** (ORF)
  - O&M **subset** of EE&E
  - Used to maintain the standing and prestige of the US by extending courtesies to guests of the DoD

Combatant Commander Initiative Funds (CCIF) 10 U.S.C. § 166a.

- Enables CJCS to support Combatant Commanders to solve emergent challenges and unforeseen contingency requirements critical to joint war fighting (fund contingencies, selected operations, special training, humanitarian assistance, and civic assistance)

Outside DoD Funding Sources

U.S. Department of State

Arms Export Control Act (AECA)

- Permits DoD to provide defense articles and services to foreign countries to enhance self defense.

Foreign Assistance Act (FAA)

- Permits the US to provide foreign assistance and military/security assistance
- Similar to AECA but allows more flexible te

PEPFAR

(President's Emergency Plan for AIDS Relief

National & International HIV/AIDS Prevention Program

- Includes tuberculosis and malaria programs
- Funds are unique, sent via MIPR and don't expire

http://www.pepfar.gov

- $89,108,000 obligated by DoD CCOs around the world from 2004

Foreign Funding Options

Foreign Assistance Act of 1961 22 U.S.C. § 2151

- Authorizes US government to furnish commodities and services to friendly foreign countries, includes peacekeeping and disaster relief efforts on a reimbursable basis

Section 7 United Nations Participation Act (UNPA) 22 U.S.C. § 287d-1

- Authorizes US to furnish services, facilities, or other assistance when requested by the United Nations on a reimbursable basis, unless waived by the SECSTATE (after consulting with SECDEF)

Acquisition and Cross Servicing Agreement, NATO Mutual Support Act 10 U.S.C. §§ 2341–2350 (Public Law 96-323)

Construction Funding

- **Operations and Maintenance or OCO O&M**
  - Projects under $1,000,000 ($1M)
  - Requires Congressional notification
  - Projects documented/approved via DD Form 1391 or service component form
  - **Most common** contingency construction most CCOs will see
- **Unspecified Minor Military Cons (UMMC)**
  - $1,000,000 to $3M per project
    - $4M if *life*, *health*, or *safety* (LHS) conc
  - Requires Congressional notification (2
  - Projects documented on the DD Form
  - Is a MILCON appropriation (5 years)
- **Specified Military Construction**
  - Projects exceeding $3M

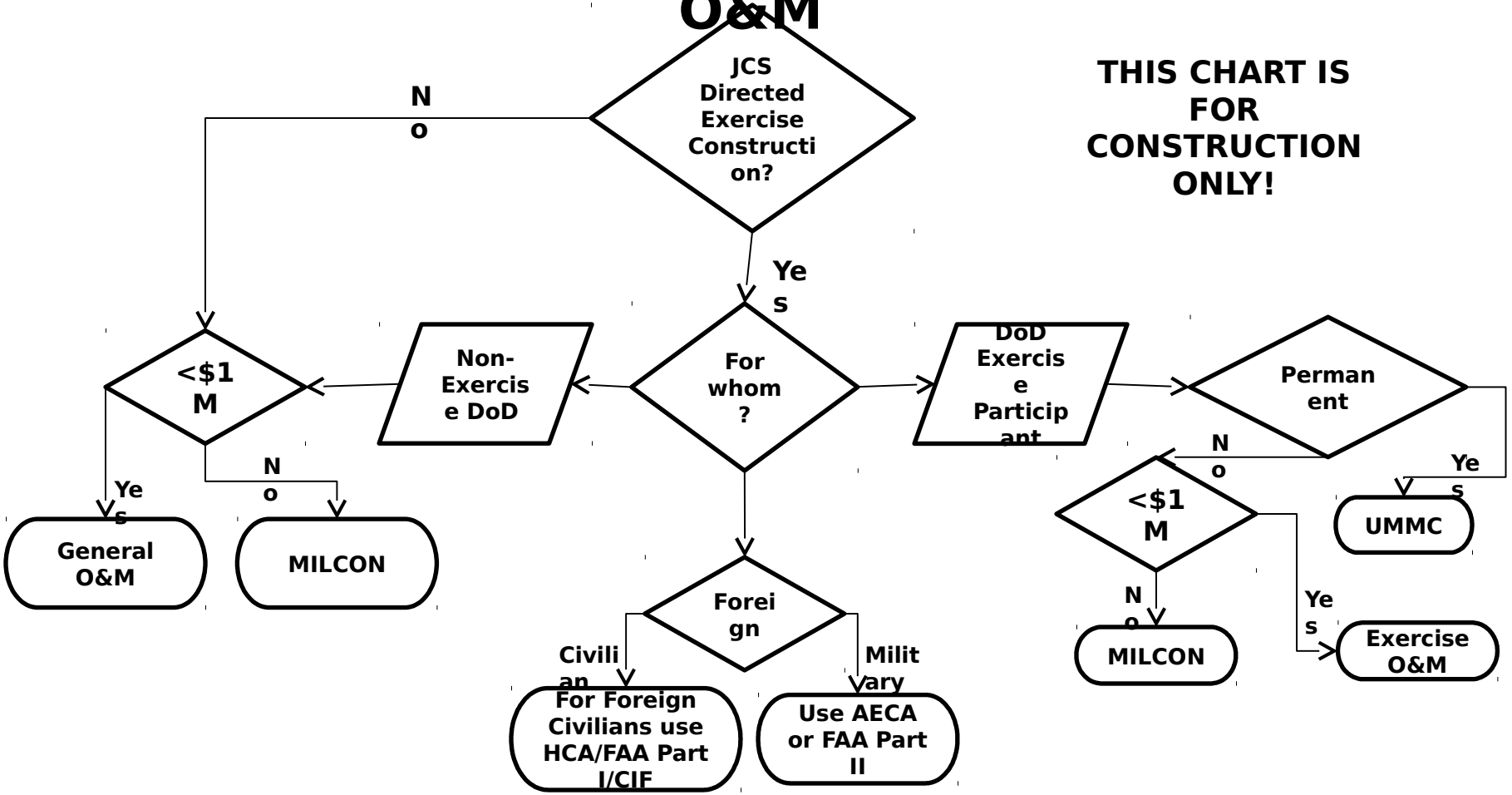
Repair and Maintenance of Real Property

- Most routine repair and maintenance is not defined as "construction" and therefore O&M is appropriate
- However, there are exceptions such as "movement of load bearing walls"

Do your research!

Construction Funding - Exercises

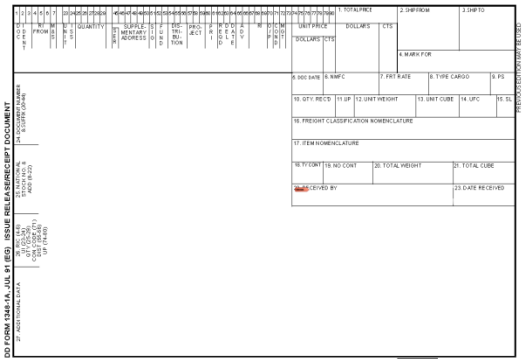
General vs. Exercise O&M



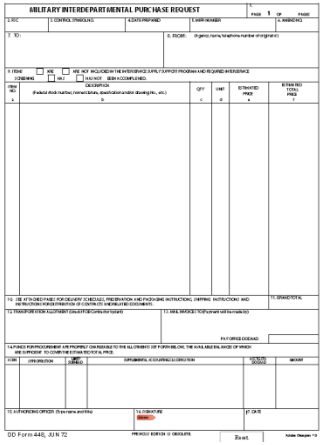
Purchase Requests

- **Actions always initiated by “PR”**

Army	✉	**DA 3953**
Air Force	✉	**AF Form 9, AF Form 4009, AF Form 616**
Navy	✉	**NAVCOMPT 2276 and 1250-2**
Interagency	✉	**DD Form 448 (MIPR)**



DD Form 1348-1A Issu
Release/Receipt Docu



MIPR – DD Form 448

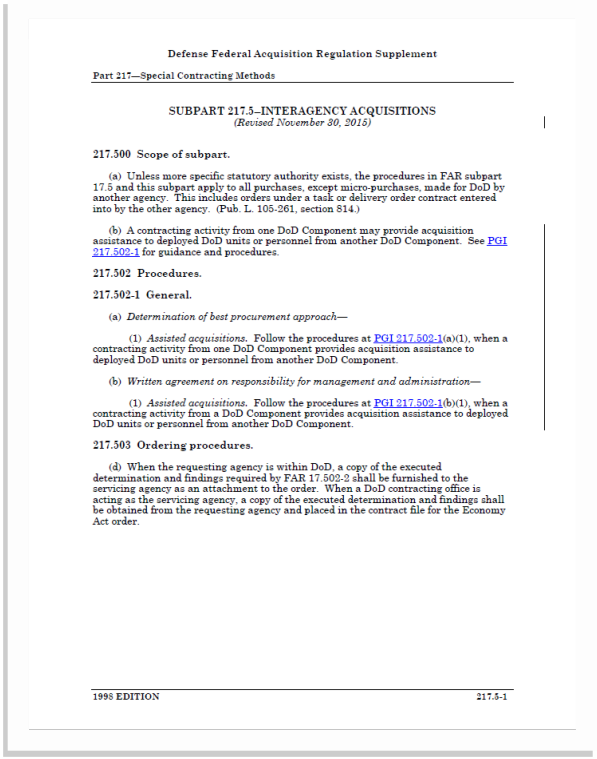
DD Form 448, Military Interdepartmental Purchase Request (MIPR)

- Process whereby an agency requests supplies or services via contract action from another organization or agency
- Two Kinds:
  - **CAT I Reimbursable**
    - Supporting organization appropriation(s) used and local PR is generated
    - Contracting organization uses this PR for the contractual instrument
      - May not even know the MIPR exists
  - **CAT II Direct Citation**
    - The MIPR is used as the contract file purchase request (PR)
    - Contracting organization directly cites the MIPR appropriation(s) in the contractual instrument

Interagency Acquisitions

For contracting and funding purposes each service component and DoD activity are separate agencies

- Unless using FSS, a GWAC, or pre-approved
  ery contract; awarding a contract
  vice component requires an
  D&F
  - **However**, DFARS **217.5** allows a streamlined process for a contracting activity from one DoD Component to provide acquisition assistance to ***deployed*** DoD units or personnel from another DoD Component
    - CCOs in the deployed environment must also follow these procedures when providing contract support to personnel or units from another service component or activity



Defense Federal Acquisition Regulation Supplement

Part 217—Special Contracting Methods

SUBPART 217.5—INTERAGENCY ACQUISITIONS
(Revised November 30, 2015)

217.500 Scope of subpart.

(a) Unless more specific statutory authority exists, the procedures in FAR subpart 17.5 and this subpart apply to all purchases, except micro-purchases, made for DoD by another agency. This includes orders under a task or delivery order contract entered into by the other agency. (Pub. L. 105-261, section 814.)

(b) A contracting activity from one DoD Component may provide acquisition assistance to deployed DoD units or personnel from another DoD Component. See PGI 217.502-1 for guidance and procedures.

217.502 Procedures.

217.502-1 General.

(a) *Determination of best procurement approach—*

(1) *Assisted acquisitions.* Follow the procedures at PGI 217.502-1(a)(1), when a contracting activity from one DoD Component provides acquisition assistance to deployed DoD units or personnel from another DoD Component.

(b) *Written agreement on responsibility for management and administration—*

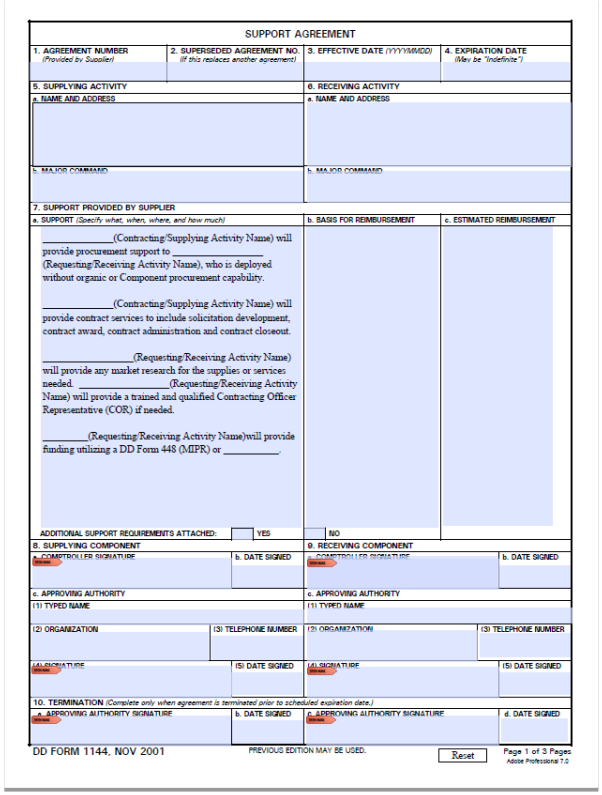
(1) *Assisted acquisitions.* Follow the procedures at PGI 217.502-1(b)(1), when a contracting activity from a DoD Component provides acquisition assistance to deployed DoD units or personnel from another DoD Component.

217.503 Ordering procedures.

(d) When the requesting agency is within DoD, a copy of the executed determination and findings required by FAR 17.502-2 shall be furnished to the servicing agency as an attachment to the order. When a DoD contracting office is acting as the servicing agency, a copy of the executed determination and findings shall be obtained from the requesting agency and placed in the contract file for the Economy Act order.

1998 EDITION 217.5-1

Assisted Acquisitions - Process



SUPPORT AGREEMENT

1. AGREEMENT NUMBER (Provided by Supplier)	2. SUPERSEDED AGREEMENT NO. (If this replaces another agreement)	3. EFFECTIVE DATE (YYYYMMDD)	4. EXPIRATION DATE (May be "Indefinite")

5. SUPPLYING ACTIVITY	6. RECEIVING ACTIVITY
a. NAME AND ADDRESS	a. NAME AND ADDRESS
b. MAJOR COMMAND	b. MAJOR COMMAND

7. SUPPORT PROVIDED BY SUPPLIER

a. SUPPORT (Specify what, when, where, and how much)	b. BASIS FOR REIMBURSEMENT	c. ESTIMATED REIMBURSEMENT
_____(Contracting/Supplying Activity Name) will provide procurement support to _____ (Requesting/Receiving Activity Name), who is deployed without organic or Component procurement capability. _____(Contracting/Supplying Activity Name) will provide contract services to include solicitation development, contract award, contract administration and contract closeout. _____(Requesting/Receiving Activity Name) will provide any market research for the supplies or services needed. _____(Requesting/Receiving Activity Name) will provide a trained and qualified Contracting Officer Representative (COR) if needed. _____(Requesting/Receiving Activity Name)will provide funding utilizing a DD Form 448 (MIPR) or _____.		

ADDITIONAL SUPPORT REQUIREMENTS ATTACHED: ☐ YES ☐ NO

8. SUPPLYING COMPONENT		9. RECEIVING COMPONENT	
a. COMPTROLLER SIGNATURE	b. DATE SIGNED	a. COMPTROLLER SIGNATURE	b. DATE SIGNED
c. APPROVING AUTHORITY		c. APPROVING AUTHORITY	
(1) TYPED NAME		(1) TYPED NAME	
(2) ORGANIZATION	(3) TELEPHONE NUMBER	(2) ORGANIZATION	(3) TELEPHONE NUMBER
(4) SIGNATURE	(5) DATE SIGNED	(4) SIGNATURE	(5) DATE SIGNED

10. TERMINATION (Complete only when agreement is terminated prior to scheduled expiration date.)

a. APPROVING AUTHORITY SIGNATURE	b. DATE SIGNED	c. APPROVING AUTHORITY SIGNATURE	d. DATE SIGNED

DD FORM 1144, NOV 2001 PREVIOUS EDITION MAY BE USED. Reset Page 1 of 3 Pages Adobe Professional 7.0

PGI 217.502-1 Process and Procedures

- CCO obtains from requiring unit or personnel a *best procurement approach determination* required by FAR 17.502-1(a)(1)
  - They do not have their own contracting support
  - Documented on the **DD Form 1144**, Support Agreement
- Also requires written agreement on responsibility for management and administration
  - Documented on the ***same*** DD Form 1144
- Procurement support is on a non-reimbursable basis, unless parties agree to reimburse support

Preparing the PR

- What should the PR describe?
- Who should write the PR?
- Who should be available for questions?
- What if there are problems with the PR?
- Who writes the SOW/ PWS?
- Who approves the PR?

Fund Cites

Accounting classification codes (also referred to as a fund cites) are required on all purchase requests

Example

57134003086 7A2231010015929050300 0ESP8Z

Position #: 1-2 3-4 5 6-9

ACRN Agency FY Appropriation

57-1-3400- 30867A2231010015929050300 0ESP8Z

57 = United States Air Force

1 = Fiscal Year 2001 or 2011

Line of Accounting – (LOA)

- ACRN Accounting Classification Reference Number (#1-2)
  - Alphabetic; serves as reference identifier to line of accounting
  - A second line of accounting begins AB
- Agency (#3-4):
  - **17 Dept of the Navy (includes**
  - **21 Dept of the Army**
  - **57 Dept of the Air Force**
  - **97 Dept of Defense**
- Fiscal Year (FY) denoted with one digit (#5):
  - FY16 = 6
- Appropriation (#6-9):
  - Specific to service

AA576340030867A223101001592905 03000ESP8Z

DoD is currently working to implement a Single Line of Accounting and Accounting Classification initiative

Appropriation Codes DoD

	ARMY	NAVY/MC	AIR FORCE	OSD
Military Personnel	**2010**	**1453/1105**	**3500**	**N/A**
Reserve Personnel	**2070**	**1405/1108**	**3700**	**N/A**
National Guard Personnel	**2060**	**N/A**	**N/A**	**N/A**
O&M	2020	1804/1106	3400	0100
O&M, Reserve	**2080**	**1806/1107**	**3740**	**N/A**
O&M, National Guard	**2065**	**N/A**	**N/A**	**N/A**
O&M, Family Housing	**7025**	**7035**	**7045**	**N/A**
Procurement (Aircraft)	**2031**	**1506**	**3010**	**N/A**
Procurement (Missiles)	**2032**	**N/A**	**3020**	**N/A**
Procurement (Weapons & Tracked Vehicles)	**2033**	**1507**	**N/A**	**N/A**
Procurement (Ammunition)	**2034**	**N/A**	**N/A**	**N/A**
Shipbuilding & Conversion	**N/A**	**1611**	**N/A**	**N/A**
Other Procurement	**2035**	**1810/1109**	**3080**	**0300**
Research, Development, Test & Evaluation (RDT&E)	**2040**	**1319**	**3600**	**0400**
Military Construction	**2050**	**1205**	**3300**	
Family Housing Construction	**7020**	**7030**	**7040**	
tock Fund *(Also known as Navy Work Capital Fund)		*4930		

Knowledge Review #1

AA2152020…

ACRN = First (or only) LOA
21 = Department of the Army
5 = FY15
2020 = Operations and Maintenance

Knowledge Review #2

- Second LOA on same document
- Funds from the Navy
- FY 2014
- Military Construction

AB1741205

Contractor Payment Options

The full spectrum of government ***financing*** should be considered to facilitate business partnerships and economic growth based on your location

- These include: progress payments, payments for partial deliveries, performance based payments and commercial interim payments.
- Factors to consider before authorizing **advance payments:**

  (1) Conditions warrant the request (e.g., lack of an established/robust banking system, unstable commercial environment, hostilities),

  (2) Consideration of other financing options (e.g., progress payments, partial payments),

  (3) Tangible risks and mitigation plan, and

  (4) Adequate security to protect the Government's interest.

Contract Payment

Important as any other aspect of contract monitoring

- Payment to the contractor for the supplies and [illegible]ent's obligation

1. Ensure payment is made to contractors who perform **according** to contract **terms and conditions**
2. Payment due based on receipt of a ***proper*** invoice and satisfactory performance
3. Generally due within 30 days of invoice date or government acceptance
   - Otherwise ***interest*** accrues and is due to the contractor
4. Government has seven (**7**) days from receipt to notify the contractor if invoice is improper
5. Prompt Payment clause needs to be in all contracts

Three things needed for finance office to pay contractor:

1. **Copy of the contract**
2. **Receiving Report**
3. **Proper Invoice**

* Finally, ensure payment is made to the correct contractor and their "authorized" representative

Electronic Invoicing and Payment

- **DFARS 232.7002 Policy**

(a) Contractors shall submit payment requests and receiving reports in electronic form, **except** for—

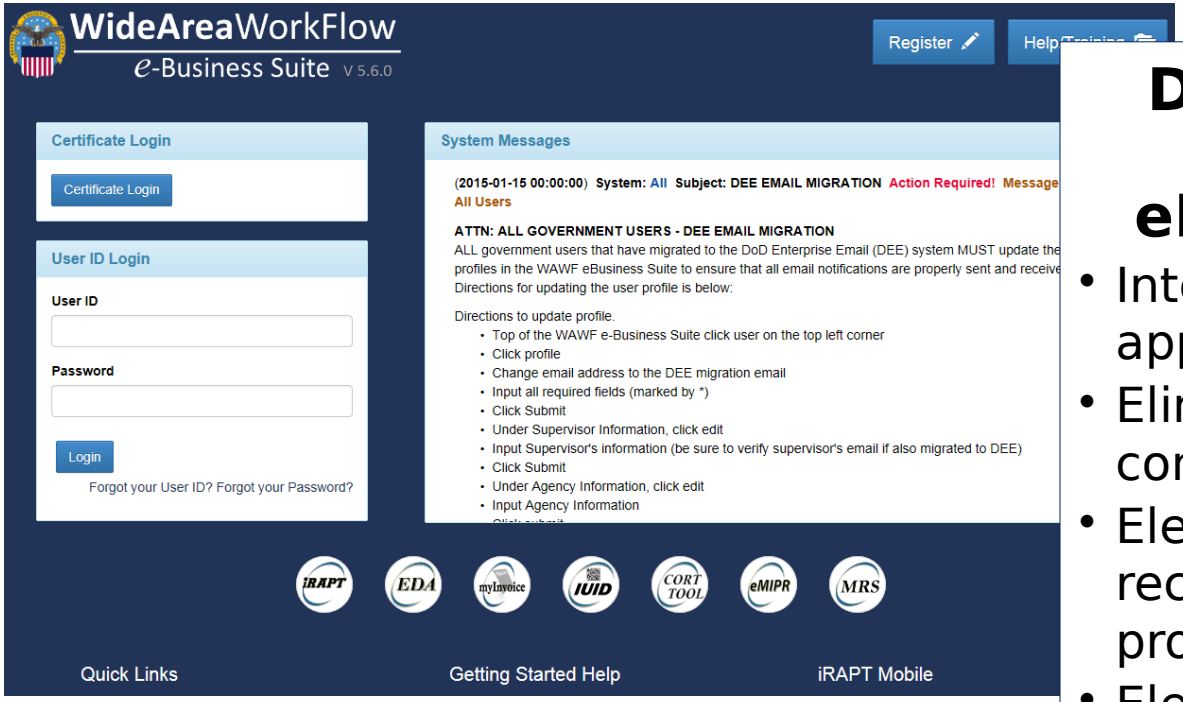
(2) Awards made to foreign vendors for work performed outside the United States;

(4) Contracts awarded by deployed contracting officers in the course of military operations, including, but not limited to, contingency operations as… or humanitarian or peacekeeping operations… or contracts awarded by contracting officers in the conduct of emergency operations, such as responses to natural disasters or national or civil emergencies;

- **DFARS Clause 252.232-7003 (June 2012)**
  - Requires electronic invoicing
  - Requires electronic supporting documentation
  - Identifies three acceptable electronic forms for transmission of invoices (WInS, WAWF and EDI)
  - Identifies situations where EC is not required

Finance will want to move to EFT as rapidly as possible!

Wide Area Workflow (WAWF)


WideAreaWorkFlow
e-Business Suite V 5.6.0
Register
Certificate Login
Certificate Login
User ID Login
User ID
Password
Login
Forgot your User ID? Forgot your Password?
System Messages
(2015-01-15 00:00:00) System: All Subject: DEE EMAIL MIGRATION Action Required! Message
All Users
ATTN: ALL GOVERNMENT USERS - DEE EMAIL MIGRATION
ALL government users that have migrated to the DoD Enterprise Email (DEE) system MUST update the
profiles in the WAWF eBusiness Suite to ensure that all email notifications are properly sent and receive
Directions for updating the user profile is below:
Directions to update profile.
Top of the WAWF e-Business Suite click user on the top left corner
Click profile
Change email address to the DEE migration email
Input all required fields (marked by *)
Click Submit
Under Supervisor Information, click edit
Input Supervisor's information (be sure to verify supervisor's email if also migrated to DEE)
Click Submit
Under Agency Information, click edit
Input Agency Information
iRAPT
EDA
myInvoice
IUID
CORT TOOL
eMIPR
MRS
Quick Links
Getting Started Help
iRAPT Mobile

DoD Wide Area Workflow eBusiness Suite

- Interactive web-based application
- Eliminates paper from contracting life cycle
- Electronic receipt/acceptance process
- Electronic invoice/payments process
- Provides complete transaction visibility
- Reduces interest penalties

- **iRAPT** – Invoicing, Receipt, Acceptance, and Property Transfer
- **myInvoice** – Contractor Tool
- **eMIPR** – Sending, accepting, tracking MIPRs
- **EDA** – Contract file repository
- **CORT Tool** – COR Tracking Tool